



SENATE REPUBLICAN

POLICY COMMITTEE

Conference Report Highlights

November 8, 2007

Highlights of the Conference Report to Accompany H.R. 3222 – Department of Defense Appropriations Bill, FY 2008

On November 6, 2007, the Appropriations Committee filed Conference Report H. 110-434.

Noteworthy

- The Conference Report combines the Defense Appropriations Conference Report (Division A) with a Continuing Resolution through December 14 (Division B). The Continuing Resolution provisions appear to represent new matter, thus violating Senate Rule 28.
- Division A provides \$471.18 billion for Defense Appropriations programs. This funding includes neither bridge funding for the Global War on Terror (as requested by the Administration) nor \$3.0 billion in emergency funding for border security (which was agreed by a vote of 95-1 in the Senate).
- Division B provides continuing appropriations for FY08 through December 14, 2007. The current Continuing Resolution expires on November 16. Division B also includes \$6.4 billion in emergency appropriations for various programs. Of this funding, \$3.0 billion is for the Road Home program for homeowners in Louisiana.
- On November 8, the House approved the Conference Report by a vote of 400-15.
- At press time, the White House had not issued a Statement of Administration Policy for the Conference Report.

Bill Provisions

Note: This section describes the Conference Report, and also includes a description of language, for comparison, from the bill as reported to the Senate (bracketed).

Division A - Department of Defense Appropriations, FY08

Title I – Military Personnel

Military Personnel (in millions)	FY07 Appropriation	President's Request	Conference Report
Army	29,813.9	31,623.9	31,535.0
Navy	22,776.2	23,305.2	23,318.5
Marine Corps	9,174.7	10,278.0	10,280.2
Air Force	23,564.7	24,097.4	24,194.9
Army Reserve	3,364.8	3,734.6	3,684.6
Navy Reserve	1,756.0	1,797.7	1,790.1
Marine Corps Reserve	541.8	594.9	583.1
Air Force Reserve	1,335.8	1,370.5	1,363.8
Army National Guard	5,209.2	5,959.1	5,924.7
Air National Guard	2,325.8	2,642.4	2,617.3
Total	99,862.9	105,403.7	105,491.3

Title II – Operation and Maintenance

Operation and Maintenance: The Conference Report provides \$132.56 billion. Of this funding, \$247.0 million is for National Guard support to the Department of Homeland Security, including operating surveillance systems, analyzing intelligence, installing fences and vehicle barriers, building patrol roads, and providing training.

Operations and Maintenance (in millions)	FY07 Appropriation	President's Request	Conference report
Army	24,208.4	28,925.0	27,361.6
Navy	30,954.0	3,334.7	33,087.7
Marine Corps	3,811.4	4,961.4	4,792.2
Air Force	30,458.9	33,655.6	32,176.2
Defense-Wide	20,035.2	22,574.3	22,693.6
Army Reserve	2,160.2	2,508.1	2,510.0
Navy Reserve	1,275.8	1,186.9	1,148.1
Marine Corps Reserve	209.0	208.6	208.6
Air Force Reserve	2,617.6	2,692.1	2,815.4
Army National Guard	4,711.4	5,840.2	5,764.9
Air National Guard	5,009.2	5,042.0	5,468.7
Total	125,451.1	140,928.8	132,558.3

[Senate-reported Bill: Provides \$139.85 billion for the armed forces and defense agencies to prepare for and conduct combat and peacetime missions, which is \$1.1 billion below the Administration's request, but \$14.40 billion above the FY07 enacted level. Funds are divided between the Army, Navy, Marines, and Air Force, their respective Reserves, Defense-Wide, the Army National Guard, and the Air National Guard. Funds are used for purposes such as purchasing fuel and spare parts for training operations and repair of weapons and facilities.]

Overseas Contingency Operations Transfer Account: The Conference Report did not include this funding.

[Senate-reported Bill: The Committee did not include funding for the Administration's \$5.0 million request for an Overseas Contingency Operations Transfer Account.]

U.S. Court of Appeals for the Armed Forces: The Conference Report provides \$12.0 million.

[Senate-reported Bill: Provides \$12.0 million for salaries and expenses for the U.S. Court of Appeals for the Armed Forces, which fully funds the Administration's request and is \$250,000 above the FY07 enacted level.]

Environmental Restoration:

Environmental Restoration (in millions)	FY07 Appropriation	President's Request	Conference report
Army	403.8	434.9	439.9
Navy	302.2	300.6	300.6
Air Force	402.4	458.4	458.4
Defense-Wide	27.9	12.8	12.8
Formerly Used Defense Sites	254.4	250.2	280.2
Total	1,390.6	1,456.9	1,491.9

[Senate-reported Bill: Provides \$1.51 billion for environmental restoration, which is \$55.0 million above the Administration's request and \$121.3 million above the FY07 enacted level. The funds specifically are provided to: Army, Navy, Air Force, Defense-Wide, and Formerly Used Defense Sites.]

Overseas Humanitarian, Disaster, and Civic Aid: The Conference Report provides \$103.3 million.

[Senate-reported Bill: Provides \$63.3 million for Overseas Humanitarian, Disaster, and Civic Aid, which is \$40.0 million below the Administration's request, but \$96,000 above the FY07 enacted level.]

Title III – Procurement

Army: The Conference Report provides \$22.77 billion.

Army Procurement (in millions)	FY07 Appropriation	President's Request	Conference Report
Aircraft Procurement	3,502.5	4,179.8	4,185.8
Missile Procurement	1,279.0	1,645.5	1,912.0
Weapons and Tracked Combat Vehicles	1,906.4	3,090.0	3,021.9
Ammunition	1,719.9	2,190.6	2,223.2
Other Procurement	7,004.9	12,647.1	11,428.0
Total	15,412.6	23,753.0	22,770.9

[Senate-reported Bill: Provides \$23.06 billion for **Army** procurement, which is \$692.9 million below the Administration's request, but \$7.65 billion above the FY07 enacted level.]

Navy and Marine Corps: The Conference Report provides \$37.88 billion.

Navy and Marine Procurement (in millions)	FY07 Appropriation	President's Request	Conference Report
Aircraft Procurement, Navy	10,393.3	12,747.8	12,464.3
Weapons Procurement, Navy	2,573.8	3,084.4	3,114.0
Ammunition Procurement, Navy and Marine Corps	767.3	760.5	1,064.4
Shipbuilding and Conversion, Navy	10,579.1	13,656.1	13,598.0
Other Procurement, Navy	4,927.7	5,470.4	5,317.6
Procurement, Marine Corps	894.6	2,999.1	2,326.6
Total	30,135.8	38,718.2	37,884.9

[Senate-reported Bill: Provides \$37.43 billion for **Navy and Marine Corps** procurement, which is \$1.29 billion below the Administration's request, but \$7.29 billion above the FY07 enacted level.]

Air Force: The Conference Report provides \$33.20 billion.

Air Force Procurement (in millions)	FY07 Appropriation	President's Request	Conference Report
Aircraft Procurement	11,643.4	12,393.3	12,021.9
Missile Procurement	3,914.7	5,131.0	4,985.4
Ammunition Procurement	1,054.3	868.9	754.1
Other Procurement	15,493.5	15,421.2	15,440.6
Total	32,105.8	33,814.4	33,202.0

[Senate-reported Bill: Provides \$33.43 billion for **Air Force** procurement, which is \$388.9 million below the Administration's request, \$1.32 billion above the FY07 enacted level.]

Defense-Wide Procurement: The Conference Report provides \$3.27 billion.

[Senate-reported Bill: Provides \$3.25 billion for **Defense-Wide** procurement, which is \$72.0 million below the Administration's request, but \$343.6 million above the FY07 enacted level.]

National Guard and Reserve Equipment: The Conference Report provides \$980 million.

[Senate-reported Bill: Provides \$1.00 billion for **National Guard and Reserve Equipment**, which is \$1.00 billion above the Administration's request and \$710.0 million above the FY07 enacted level.]

Defense Production Act Purchases: The Conference Report provides \$94.8 million.

[Senate-reported Bill: Provides \$65.1 million for Defense Production Act Purchases, which is \$46.5 million above the Administration's request and \$1.0 million above the FY07 enacted level.]

Title IV – Research, Development, Test and Evaluation (RDT&E)

Army RDT&E: The Conference Report provides \$12.13 billion.

[Senate-reported Bill: Provides \$11.36 billion for Army RDT&E, which is \$765.4 million above the Administration's request and \$300.0 million above the FY07 enacted level. Included in this funding is \$3.60 billion for the Army's Future Combat System.]

Navy RDT&E: The Conference Report provides \$17.92 billion.

[Senate-reported Bill: Provides \$17.47 billion for Navy RDT&E, which is \$396.7 million above the Administration's request, but \$1.20 billion below the FY07 enacted level. Of which, \$637.5 million is for the DD(X) program, the Navy's next-generation destroyer.]

Air Force RDT&E: The Conference Report provides \$26.26 billion.

[Senate-reported Bill: Provides \$26.16 billion for Air Force RDT&E, which is \$641.1 million below the Administration's request, but \$1.56 billion above the FY07 enacted level. The recommended funding includes \$240.0 million to continue development of an alternative engine for the F-35, Joint Strike Fighter.]

Defense-Wide RDT&E: The Conference Report provides \$20.79 billion.

[Senate-reported Bill: Provides \$20.30 billion for Defense-Wide RDT&E, which is \$256.1 million below the Administration's request and \$987.3 million below the FY07 enacted level.

Included in this funding is \$8.49 billion for missile defense, which is \$900.0 million below the FY07 enacted level.]

Operational Test and Evaluation, Defense: The Conference Report provides \$180.3 million.

[Senate-reported Bill: Provides \$180.3 million for independent activities of the Director of Operational Test and Evaluation, which is equal to the Administration's request and \$5.2 million below the FY07 level.]

Title V – Revolving and Management Funds

The Conference Report provides \$2.70 billion for Revolving and Management Funds. The Conference Report provides \$1.35 billion for Defense Working Capital Funds and \$1.35 billion for the National Defense Sealift Fund.

[Senate-reported Bill: Title V provides \$2.40 billion for Revolving and Management Funds, which is \$56.9 million below the Administration's request and \$39.5 million below the FY07 enacted level. This funding includes \$1.35 billion for Defense Working Capital Funds and \$1.04 billion for the National Defense Sealift Fund.]

Title VI – Other Department of Defense Programs

The Conference Report provides \$26.32 billion for these programs. This funding includes: \$23.49 billion for the Defense Health Program; \$1.51 billion for Army Chemical Agents and Munitions Destruction; \$984.8 million for Drug Interdiction and Counter-Drug Activities; \$120.0 million for the Joint Improved Explosive Device Defeat Fund; and \$240.0 million for the Office of the Inspector General.

[Senate-reported Bill: Title VI provides \$26.32 billion for a range of Department programs. This funding includes: \$23.49 billion for the Defense Health Program, which is \$948.9 million above the President's request and \$2.27 billion above the FY07 enacted level, of which \$150.0 million is for peer-reviewed breast cancer research; \$1.52 billion for Army Chemical Agents and Munitions Destruction; \$962.6 million for Drug Interdiction and Counter-Drug Activities; and \$226.0 million for the Office of the Inspector General.]

Title VII – Related Agencies

The Conference Report provides \$988.0 million.

[Senate-reported Bill: Title VII provides \$971.9 million for several related agencies. This funding includes: \$262.5 million for the Central Intelligence Agency Retirement and Disability System Fund, and \$709.4 million for the Intelligence Community Management Account.

Title VIII – General Provisions

Title VIII includes proposals that have been incorporated into previous appropriations bills, provisions requested by DoD, and new provisions. Title VIII also includes \$653.3 million in rescissions.

Notable sections include:

- Section 8010 provides, among other things, that multiyear procurement contract authority may be used for:
 - Army CH-47 Chinook Helicopter;
 - M1A2 Abrams System Enhancement Package Updates;
 - M2A3/M3A3 Bradley Upgrades; and
 - SSN Virginia Class Submarine.
- Section 8029 provides that the Secretary of Defense must rescind any blanket waiver of the Buy American Act with respect to countries that discriminate against U.S. producers covered by reciprocal defense procurement agreements.
- Section 8045 prohibits the use of funds for assistance to North Korea unless specifically appropriated for that purpose.
- Section 8060 provides that no funds may be used to approve or license the sale of the F-22A advanced tactical fighter to any foreign government.
- Section 8080 provides that \$155.6 million in RDT&E, Defense-Wide funds shall be made available for the Arrow missile defense program, of which:
 - \$37.4 million shall be available for producing Arrow missiles and missile components;
 - \$20.0 million shall be available for research and development of an upper-tier component to the Israeli Missile Defense Architecture; and
 - \$37.0 million shall be available for Short Range Ballistic Missile Defense.
- Section 8113 prohibits the U.S. government from establishing any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq.

Title IX – Additional Appropriations

The Conference Report did not provide funding for costs related to the Global War on Terror.

[Senate-reported Bill: The Administration requested \$146.10 billion in additional appropriations for costs related to the Global War on Terror. The Committee did not provide any funding for this account with the intention to debate Iraq funding at a later date. Also, it is

expected that the Administration will amend this supplemental request upwards by approximately \$42 billion.^{1]}

Division B - Further Continuing Appropriations, FY08

Division B extends the current continuing resolution (CR) through December 14, 2007. However, Division B also makes the following modifications of note:

- Section 152 increases funding under the CR for the Bureau of the Census;
- Section 155 increases funding under the CR to the President's level for the Department of Veterans Affairs;
- Section 157 provides \$500.0 million in emergency funding for Wild Fire Management;
- Section 158 provides \$2.90 billion in emergency funding for FEMA for disaster relief purposes; and
- Section 159 provides \$3.00 billion in emergency funding for HUD's Community Development Fund to make grants to Louisiana under the Road Home program.

Administration Position

A Statement of Administration Policy (SAP) on the Conference Report was not available at press time.

¹ This amendment does not include additional funding for the State Department which appears in the State-Foreign Operations Appropriations Bill.